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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/208,998	12/11/1998	RAVI GANESAN	33500-029	8916
7590 09/02/2005				
ANTONELLI TERRY STOUT & KRAUS LLP		EXAMINER		
1300 NORTH SEVENTEENTH STREET		MYHRE, JAMES W		
SUITE 1800				
ARLINGTON, VA 22209		ART UNIT PAPER NUMBER		
		3622		

DATE MAILED: 09/02/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/208,998

Applicant(s)

GANESAN ET AL.

Examiner

James W. Myhre

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 24 June 2005.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1-3,5-11 and 13-34 is/are pending in the application.
- 4a) Of the above claim(s) 32 and 33 is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1-3,5-11,13-31 and 34 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☒ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date 6/24/05.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

Response to Amendment

1. The amendment filed on June 24, 2005 has been considered but is ineffective to overcome the Sandberg-Diment (5,826,245) and Kravitz (6,029,150) references. The amendment cancelled Claims 4 and 12 and amended Claims 1-3, 6, 7, 9-11, 16, 18-21, 23, 24, 26, 27, 30, 31, and 34. Claims 32 and 33 were previously withdrawn. Therefore, the currently pending claims considered below are Claims 1-3, 5-11, 13-31, and 34.

Claim Rejections - 35 USC § 102

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

A person shall be entitled to a patent unless –

(e) the invention was described in a patent granted on an application for patent by another filed in the United States before the invention thereof by the applicant for patent, or on an international application by another who has fulfilled the requirements of paragraphs (1), (2), and (4) of section 371(c) of this title before the invention thereof by the applicant for patent.

The changes made to 35 U.S.C. 102(e) by the American Inventors Protection Act of 1999 (AIPA) and the Intellectual Property and High Technology Technical Amendments Act of 2002 do not apply when the reference is a U.S. patent resulting directly or indirectly from an international application filed before November 29, 2000. Therefore, the prior art date of the reference is determined under 35 U.S.C. 102(e) prior to the amendment by the AIPA (pre-AIPA 35 U.S.C. 102(e)).

3. Claims 1, 2, 8-10, and 17 are rejected under 35 U.S.C. 102(e) as being anticipated by Sandberg-Diment (5,826,245).

Claims 1 and 9: Sandberg-Diment discloses a system and method for conducting cashless transactions in which the identity of the purchaser's account is unknown to the seller, comprising:

- a. Receiving purchase information (order) identifying a product and a price at a seller from a purchaser, the information not including the account number of the purchaser (col 2, lines 49-52 and col 3, lines 9-67);
- b. Transmitting to the purchaser's financial institution an authorization (tagged piece 32a) from the purchaser to pay the purchase price from the purchaser's account to the seller's account (col 3, lines 9-67);
- c. Determining if the purchaser's account has sufficient funds to cover the purchase price (credit check)(col 3, lines 9-67); and
- d. Transmitting an authorization (approval code 36) from the purchaser's financial institution to the seller if sufficient funds are verified (col 3, lines 55-67).

Claims 2 and 10: Sandberg-Diment discloses a system and method for conducting cashless transactions as in Claims 1 and 9 above, and further discloses the purchaser transmitting the product identification to the seller (col 2, lines 49-52).

Claims 8 and 17: Sandberg-Diment discloses a system and method for conducting cashless transactions as in Claims 1 and 9 above, and further discloses processing the transaction in real time over the Internet (col 2, lines 32-36).

Claim Rejections - 35 USC § 103

4. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

5. Claims 18, 19, 24, and 27-30 are rejected under 35 U.S.C. 103(a) as being unpatentable over Kravitz (6,029,150).

Claims 18, 24, 27, and 28: Kravitz discloses a program and method for conducting cashless transactions in which the identity of the purchaser's account is unknown to seller, comprising:

- a. transmitting from a seller to a purchaser information identifying a plurality of products available to purchase, a purchase price for each product, and a plurality of payment options (i.e. a catalog)(col 24, lines 33-56 and col 25, lines 32-33);
- b. transmitting information identifying the selected product and the purchaser to the seller (col 7, lines 12-45; col 12, lines 45-55; and col 24, lines 33-56);
- c. transmitting information identifying the purchase price (i.e. purchase order information); the identity of the purchaser from the purchaser to the purchaser's financial institution; and the approval (confirmation) of the purchaser (col 7, lines 12-45; col 12, lines 45-59; and col 24, lines 57-65); and

d. transmitting from the purchaser's financial institution an authorization to proceed with the delivery of the selected product (col 13, lines 12-36) and notification that the funds have been transferred (col 35, lines 25-31).

While Kravitz discloses a plurality of ways for a purchaser to pay for an electronic transaction or to fund the separate account, it is not explicitly disclosed that the purchaser is given a choice of payment method (plurality of payment options) during the transaction itself. However, Official Notice is taken that it is old and well known to give a purchaser a plurality of payment options during transactions, such as cash, check, credit card, debit card, pre-paid card, gift card, etc. In remote electronic transactions where the purchaser and seller are not co-located and the merchant only accepts credit cards (or debit cards) it is common for give the purchaser the option of choosing the type of credit card, such a Visa®, Mastercard®, American Express®, etc. This is shown in Figure 5 of Goldstein et al (6,378,075), a previously provided reference, where the purchaser is given the choice of three credit cards. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to give the purchaser in Kravitz a plurality of payment options from which to choose and to perform the rest of the steps in Kravitz only if the purchaser chooses an option which uses electronic transfer of funds, such as a credit card or a debit card (as opposed to a cash payment option). One would have been motivated to give the purchaser a plurality of payment options from which to choose in order to allow payment to be made in a form most convenient to the purchaser, thus increasing the range of purchasers able to

buy items from the merchant and their satisfaction with the system (which is the reason most merchants give their customers a plurality of payment options).

Claim 19: Kravitz discloses a program for conducting cashless transactions as in Claim 18 above, and further discloses establishing Internet connections using hyperlinks (col 12, lines 45-59). The Examiner notes that Kravitz discloses the confirmation by the customer automatically triggers the transmission of a digital payment request message to the CTA (financial institution), i.e. the connection is made without the customer having to enter the correct address. Thus, the correct address is “hyperlinked” to the submission button selected by the customer.

Claim 29: Kravitz discloses a system for conducting cashless transactions as in Claim 24 above, and further discloses one of the payment options being a credit or debit card (col 1, lines 24-26; col 6, lines 19-21; and col 7, lines 12-18).

Claim 30: Kravitz discloses a method for conducting cashless transactions as in Claim 24 above. Kravitz further discloses transmitting the information after the purchaser has selected the “payment button” (col 12, line 45 – col 13, line 36).

6. Claims 3, 5-7, 11, 13-16, 20-23, 25, 26, 31, and 34 are rejected under 35 U.S.C. 103(a) as being unpatentable over Sandberg-Diment (5,826,245) in view of Kravitz (6,029,150).

Claims 3, 11, and 21: Sandberg-Diment discloses a system and method for conducting cashless transactions in which the identity of the purchaser's account is unknown to the seller as in Claims 2 and 10 above, but does not explicitly disclose transmitting a catalog of products and prices to the purchaser nor the purchaser selecting the product to purchase and the payment option from the catalog. However, as discussed in reference to Claims 18 and 24 above, Kravitz discloses these features. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to provide a listing of available products to the customer and to allow the customer to select not only the desired product(s) but also the method of payment, e.g. VISA®, Mastercard®, American Express®, etc. as in common within the retail arts. One would have been motivated to provide a catalog to the customer in Sandberg-Diment and to allow the customer to select the products and method of payment in order to allow the customer to know what products were carried by the seller and to give the purchaser the common and customary choices of payment methods.

Claims 5 and 14: Sandberg-Diment discloses a system and method for conducting cashless transactions as in Claims 3 and 11 above. Kravitz discloses a similar system and method, and further discloses transmitting the information after the purchaser has selected the "payment button" (col 12, line 45 – col 13, line 36). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to wait until the purchaser in Sandberg-Diment had indicated his desire to purchase the product (by selecting the Purchase button) before

transmitting the purchase order to the financial institution for authorization. One would have been motivated to wait for this indication in order to preclude the financial institution from processing transactions before the purchaser had made his final decision.

Claims 6 and 15: Sandberg-Diment discloses a system and method for conducting cashless transactions as in Claims 3 and 11 above. Kravitz discloses a similar system and method, and further discloses establishing Internet connections using hyperlinks (col 12, lines 45-59). The Examiner notes that Kravitz discloses the confirmation by the customer automatically triggers the transmission of a digital payment request message to the CTA (financial institution), i.e. the connection is made without the customer having to enter the correct address. Thus, the correct address is "hyperlinked" to the submission button selected by the customer. Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to use hyperlinks to automatically connect the entities in Sandberg-Diment. One would have been motivated to use hyperlinks in order to preclude the purchaser from having to remember or look up the correct URL for each financial provider while conducting transactions online.

Claims 7 and 16: Sandberg-Diment discloses a system and method for conducting cashless transactions as in Claims 3 and 11 above. Kravitz discloses a method for conducting cashless transaction, and further discloses transmitting a

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delivery notice from the seller to the financial institution and the financial institution initiating transfer of funds between the accounts based on the delivery notice (col 35, lines 25-67). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to withhold the funds transfer in Sandberg-Diment until after a delivery notice has been received. One would have been motivated to delay the transfer of funds in this manner in order to ensure that the purchaser received the product for which payment was being made.

Claim 13: Sandberg-Diment and Kravitz disclose a system for conducting cashless transactions as in Claim 11 above, and Sandberg-Diment further discloses the purchaser using an input device to enter the information (col 2, lines 49-52).

Claim 22: Sandberg-Diment and Kravitz disclose a system and method for conducting cashless transactions as in Claim 21 above, and both references further discloses processing the transaction in real time over the Internet (Sandberg-Diment, col 2, lines 32-36)(Kravitz, col 12, lines 45-59).

Claims 20 and 23: Kravitz discloses a program for conducting cashless transactions as in Claim 18 above, and Sandberg-Diment and Kravitz disclose a program for conducting cashless transactions in Claims 21 above. While neither reference explicitly discloses that the first communication link is "relatively insecure" and that the second communication link is "relatively secure", Official Notice is taken that it is

old and well known that both secure and insecure links may be established over the Internet. A commonly used method for identifying whether the Internet links is secure or insecure is by utilizing an extra "s" in the identification of the protocol used to transmit the message. For example, an insecure message (link) would begin with http://, while a secure message would begin with "s-http://" or "https://". Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to establish secure and insecure links between the various entities. One would have been motivated to establish both secure and unsecure links in order to incorporate the correct amount of security during the transmission of the data, with sensitive information such as financial data being transmitted over the secure links, while non-sensitive information such as the product description being transmitted over insecure links as in common in the art.

Claims 25, 26, and 31: Kravitz discloses a system and program for conducting cashless transactions as in Claim 24 above, but does not explicitly disclose the financial institution transmitting the purchase order information and the authorization directly to the seller. However, Sandberg-Diment discloses a similar system and program for conducting cashless transactions in which the financial institution transmits the authorization and the purchase order information directly to the merchant (col 3, lines 9-67). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to transmit the authorization from the financial institution in Kravitz directly to the seller. One would have been motivated to send this information

directly to the seller in order to provide confirmation to the merchant that the authorization is coming from a trusted party (as opposed to receiving a possible fraudulent authorization code from the customer).

Claim 34: Sandberg-Diment and Kravitz disclose a system for conducting cashless transactions as in Claim 31 above, and Kravitz further discloses one of the payment options being a credit or debit card (col 1, lines 24-26; col 6, lines 19-21; and col 7, lines 12-18). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to allow the purchaser in Sandberg-Diment to select a credit or debit card as a payment option. One would have been motivated to allow the purchaser such as selection in order to expand the system to cover holders of both types of cards.

Response to Arguments

7. Applicant's arguments filed June 24, 2005 have been fully considered but they are not persuasive.

a. Applicant argues in reference to Claims 1 and 9 that Sandberg-Diment does not disclose the purchaser sending authorization to pay to the financial institution nor that the authorization (approval) of the financial institution is sent from the financial institution to the merchant (page 17). As discussed in the rejection above, Sandberg-Diment discloses the purchaser submitting an authorization (tag/piece one) to the financial institution (verification agent of credit card company)(item 20, Figure 2) to pay

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the purchase price to the merchant; and also discloses the financial institution sending an authorization (approval code)(item 36, Figure 2) to the merchant. Sandberg-Dfiment also discloses that "Under this procedure, the merchant 16 never receives the entire credit card number 30, but rather only a tagged piece 32b and an approval code 36 which need not bear any relation to the credit card number 30 itself" (col 4, lines 1-4). Thus, "the identity of the purchaser account being unknown to the seller" as in Claim 1.

b. The Applicant argues in reference to Claims 18, 24, and 31 that neither Sandberg-Diment nor Kravitz discloses the selection of a payment option from a plurality of payment options or that a link to the financial institution is only established based on the payment option selection (pages 18-19). The Examiner notes that Official Notice was taken that the selection of a payment option from a plurality of payment options was old and well known and that the Goldstein reference was cited in support of this officially noted fact. As for the establishment of the link to the financial institution taking place only after a payment option was selected, Kravitz discloses that the "digital payment request message" to the financial institution by the customer is triggered by the entry of the customer's confirmation of the desire to execute a payment in the amount of the quote, and not before (col 12, lines 45-59). Thus, when the customer confirms his desire to pay the quoted amount by selecting the payment option, a link to the customer's financial institution is established and the digital payment request message is automatically sent.

c. The Applicant argue in reference to Claims 26 that Kravitz does not teach the financial institution transmitting the authorization directly to the seller (page 20).

However, the Examiner notes that this feature was rejected as being obvious under Kravitz in view of Sandberg-Diment; and that Sandberg-Diment clearly shows this path for the authorization.

d. The Applicant argues in reference to Claim 30 that neither reference has "any suggestion of transmitting back to the merchant if one form of payment is selected and being linked to the financial institution only if another form of payment is selected (page 20). As stated in the Official Notice taken in the parent claim, it is old and well known to offer a plurality of payment options. Kravitz discloses that there are numerous known options for processing payments online, such as credit card based systems, electronic check systems, electronic coin based systems, stored value cards, electronic scrip, and debit systems. Some of these options, such as the stored value cards and electronic scrip, do not require connection to any third party. While others, such as the credit card systems and the debit system, may require such a connection. Thus, it is obvious that if the customer in Kravitz chooses not to use the option in which Kravitz connects to the financial institution, then no such connection needs to be establish. The transaction could continue directly between the seller and the purchaser, much like a normal cash transaction in a brick-and-mortar store.

e. The Applicant argue in reference to Claim 21 that neither reference discloses transmitting a request for purchaser approval, receiving the purchaser's approval, and transmitting authorization to proceed with the sale to the merchant (pages 20-21). The Examiner notes that as discussed in the rejection above, both references disclose the

purchaser verifying (approving) the purchase prior to the financial institution authorizing the merchant to proceed with the sale and delivery.

Conclusion

8. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

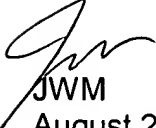
Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (571) 272-6722. The examiner can normally be reached Monday through Thursday from 5:30 a.m. to 3:30 p.m.

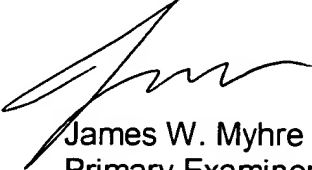
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (571) 272-6724. The fax phone number for Formal or Official faxes to Technology Center 3600 is (571) 273-8300. Draft or

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Informal faxes, which will not be entered in the application, may be submitted directly to the examiner at (571) 273-6722.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (571) 272-3600.


JWM
August 29, 2005


James W. Myhre
Primary Examiner
Art Unit 3622